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# TECHNICAL MEMORANDUM

## Utah Coal Regulatory Program

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March 28, 2007

TO: Internal File

THRU: James D. Smith, Permit Supervisor *DS*

FROM: Priscilla Burton, CPSSc, Environmental Scientist III *PWB by ar*

RE: Clarification of Lease Acreage and Air Quality Approval, UtahAmerican Energy, Inc., Centennial Project, C/007/0019, Task ID #2948

### SUMMARY:

This application was received on March 7, 2008 with additional information accepted on April 4, 2008. The information accurately updates the lease right of entry information and provides current air quality information. Deficiencies identified in a previous review (Task 2826, December 4, 2007) were resolved. The application is recommended for approval and incorporation into the MRP.

The permit was renewed January 4, 2007 (2007/Incoming/0011.pdf). The surety bond was replaced by a letter of credit (2007/Incoming/0004.pdf and 0006.pdf).

### TECHNICAL ANALYSIS:

## GENERAL CONTENTS

### IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

#### Analysis:

Section 112 of the MRP describes Andalex Resources, Inc. as a Delaware corporation which is a wholly owned subsidiary of UtahAmerican Energy Inc. (UEI), which in turn is a wholly owned subsidiary of Murray Energy Corp and which is owned 100% by Murray Energy

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**TECHNICAL MEMO**

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Holdings. Andalex Resources Inc. and AMCA Coal Leasing, Inc own the Centennial Mine permit area leases. Figure 1 of Appendix 1 Part 1 clarifies the ownership family tree for Murray Energy Holdings. All employer ID numbers are on Figure 1. Company officers and addresses are listed in the Sections of Appendix 1, Part 1. UEI assumed ownership of Andalex Resources, Inc. in the late summer 2006. Dave Shaver is the Resident Agent. [04042008]

App 1, Part 2 Current and Previous Coal Mining Permits lists five Utah mining companies and 14 others across the nation, with fifty-three different permits listed. [04042008]

As stated in Volume 1, Section 112.700, page 14, The U.S. Department of Labor, Mine Safety and Health Administration has issued three identification numbers relative to the Centennial Project; these are:

1. MSHA No. 42-01474 for the Pinnacle Mine,
2. MSHA No. 42-01750 for the Apex Mine, and
3. MSHA No. 42-02028 for the Aberdeen Mine.

[04192007]

**Findings:**

The information provided meets the requirements of the Coal Rules for ownership and control information.

**VIOLATION INFORMATION**

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

**Analysis:**

Appendix 1 Part 3 of the MRP provides a listing of violation information that is current as of February 2008. [04042008]

**Findings:**

The information provided meets the requirements of the Regulations.

**RIGHT OF ENTRY**

Regulatory Reference: 30 CFR 778.15; R645-301-114

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TECHNICAL MEMO

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**Analysis:**

Appendix J provides lease documents. Appendix R provides surface owner consent for severed surface and mineral estates.

R645-301-114 provides a detailed description of each lease and a succinct permit area legal description. Section R645-301-111 describes the total lease acreage by ownership type, but Figure 1-2 illustrates the permit area and provides the most succinct itemization of the permit area by ownership as follows:

1,080.00	fee coal
1.5	private easement
5,435.88	federal coal
11.45	Bureau of Land Management (BLM) surface R.O.W.
6,528.83	TOTAL Permit Area Acres [03272008]

According to information provided under R645-301-114, Andalex Resources, Inc., in a sublease agreement with AMCA Coal Leasing, Inc., currently holds all of the private and federal coal leases in the permit area. The acreage of each lease is described in Section R645-301-114. Appendix J of the MRP contains approvals of lease agreements that provide right of entry to the permit area shown on Figure 1-2 and Plate 4 Centennial Project Leases. [03272008]

The surface disturbed area shown on Plate 5 is located in T 13 S, R 11 E Section 18 and T 13 S, R 12 E, Section 7 on surface owned by Zion Securities Corp, the United States, administered by the Bureau of Land Management and by David Cave (Sections R645-301-111 page 1-3 and 112 and Plates 1 & 2). The 1.5 acres owned by David Cave are described in Item 14) of Section R645-301-114. Names and addresses of each surface and subsurface owner of property contiguous to the permit area is shown on Plates 2 and 3. [03272008]

The degasification wells are described in Appendix X of the MRP. The wells are located in T 12 S R 11 E Section 31 and in T 13 S, R 10 E Section 1 and in T 12 S, R 10 E Section 36 along the lengths of longwall panels #6, #7, and #8. Figure 1-1 of Appendix X indicates surface ownership of the well sites. Mineral rights (gas) are held by the surface owners. [04192007]

Surface landowner agreements in Appendix X-4-2 confirm landowner notification and agreement to surface drilling of the gob vent holes.

**Findings:**

The Permittee has met the Right of Entry requirements of the regulations.

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**TECHNICAL MEMO**

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**ENVIRONMENTAL RESOURCE INFORMATION**

Regulatory Reference: Pub. L 95-87 Sections 507(b), 508(a), and 516(b); 30 CFR 783., et. al.

**OPERATION PLAN****AIR POLLUTION CONTROL PLAN**

Regulatory Reference: 30 CFR 784.26, 817.95; R645-301-244, -301-420.

**Analysis:**

Appendix 1 Part 4 contains the 1996 Air Quality Approval Order (AO) DAQE-997-96 and subsequent communication with the Utah Division of Air Quality on November 18, 2003, describing a decrease in emissions from the site.

The Gob Vent Amendment X describes watering of the access roads (see Chapter 4, page 4-3, section 424, Fugitive Dust Control Plan, reviewed as Task ID #2161). The application of water will be of sufficient frequency and quantity to maintain the surface material in a damp/moist condition unless the weather is below freezing.

**Findings:**

The application meets the minimum regulatory requirements of this section.

**RECOMMENDATIONS:**

Approval is for approval.